

Program A: Prison Enterprises

Program Authorization: R.S. 15:1151-1161

PROGRAM DESCRIPTION

The mission of the Prison Enterprises Program is threefold:

- utilize the resources of the department in the production of food, fiber, and other necessary items used by the inmates in order to lower the cost of incarceration;
- provide products and services to state agencies and agencies of parishes, municipalities, and other political subdivisions; and
- provide work opportunities for inmates.

Prison Enterprises has two activities: Industry Operations and Agriculture Operations.

- Industry Operations - The mission of Industry Operations is to utilize inmate labor in the production of low-cost goods and services, which reduce the overall cost of incarceration and save funds for other state agencies, parishes and local government entities. The goals of this activity are:
 1. Ensure total customer satisfaction with Prison Enterprises' products and services.
 2. Promote and expand private sector involvement in prison-based work programs.
 3. Increase the volume of sales to parish and local governmental entities with particular emphasis on correctional institutions.Prison Enterprises operates ten different industries located within six different adult correctional institutions across the state.
- Agriculture Operations - The mission of Agriculture Operations is to utilize inmate labor in the production of vegetables that are fed to the inmate population, growing a wide variety of crops sold on the open market and raising stock. The goals of this activity are:
 1. Take full advantage of the resources, knowledge, and expertise of other state agencies involved in agriculture operations to improve Prison Enterprises' farming and livestock operations.
 2. In livestock, swinery, dairy, and farming operations, realize maximum productivity, manage the costs of production, and meet or exceed state and regional yields for similar operations.
 3. Maintain membership or join professional agriculture and livestock organizations to keep abreast of recent developments and advancements through training opportunities, periodicals, and published reports.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To increase product sales.

Strategic Link: This objective is related to strategic objective II.1, related to the establishment of work programs for state inmates.

Explanatory Note: The determination of future revenues for the Prison Enterprises Program is often dictated by the budgets of other state agencies and by market conditions and other factors that affect the sales of many of the program's products. These factors can cause revenues to fluctuate drastically from year to year in individual operations, making projections very difficult. However, in certain areas of Prison Enterprises operations, the program does have some degree of control and can take steps to increase these revenues. These operations consist of manufacturing entities that produce goods that can be used by state agencies and nonstate agencies other than the Department of Public Safety and Corrections, Office of Corrections Services. Through effective use of marketing and the program's sales force, the program looks to improve its performance in these entities. As a result, these indicators are based upon sales of products from industries that are affected by these elements, which can be readily measured from year to year.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-99	ACTUAL YEAREND PERFORMANCE FY 1998-99	ACT 60 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Sales to state agencies	\$1,085,841	\$1,644,016	\$1,140,133	\$1,140,133	\$1,234,260	\$1,234,260
K	Sales to non-state agencies	\$956,080	\$951,109	\$1,003,884	\$1,003,884	\$871,976	\$871,976

2. (KEY) To maintain or increase direct savings to the state through payment of inmate incentive wages.

Strategic Link: This objective is related to strategic objective II.1, related to the establishment of work programs for state inmates.

Explanatory Note: Payment of inmate incentive wages by the Prison Enterprises Program for the entire Office of Corrections Services is one measure of direct savings to the state. Since all Prison Enterprises revenues are self-generated, payment of these wages avoids necessitating an appropriation from the General Fund for payment of these amounts. While any increase of this amount represents additional amounts saved by the General Fund, the Prison Enterprises Program hopes to control the incrementation of these wages through various means. This will not be an indication of less savings to the state but will represent an overall lesser liability incurred. However, at this time the program projects an increase in this amount and therefore additional savings to the General Fund.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-99	ACTUAL YEAREND PERFORMANCE FY 1998-99	ACT 60 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Amount of inmate incentive wages paid	\$791,029	\$805,533	\$849,486	\$849,486	\$1,014,235	\$1,014,235

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 60 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	24,826,112	27,844,237	27,844,237	28,027,635	27,424,162	(420,075)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u>\$24,826,112</u>	<u>\$27,844,237</u>	<u>\$27,844,237</u>	<u>\$28,027,635</u>	<u>\$27,424,162</u>	<u>(420,075)</u>
EXPENDITURES & REQUEST:						
Salaries	\$2,420,375	\$2,608,153	\$2,608,153	\$2,713,739	\$2,823,523	\$215,370
Other Compensation	96,492	21,875	21,875	21,875	21,875	0
Related Benefits	431,783	462,510	462,510	476,634	509,391	46,881
Total Operating Expenses	19,442,254	21,830,578	21,830,578	22,226,336	21,487,084	(343,494)
Professional Services	462,547	403,017	403,017	411,562	403,017	0
Total Other Charges	873,078	1,237,114	1,237,114	1,237,114	1,238,897	1,783
Total Acq. & Major Repairs	1,099,583	1,280,990	1,280,990	940,375	940,375	(340,615)
TOTAL EXPENDITURES AND REQUEST	<u>\$24,826,112</u>	<u>\$27,844,237</u>	<u>\$27,844,237</u>	<u>\$28,027,635</u>	<u>\$27,424,162</u>	<u>(420,075)</u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	88	85	92	99	97	5
Unclassified	0	0	0	0	0	0
TOTAL	<u>88</u>	<u>85</u>	<u>92</u>	<u>99</u>	<u>97</u>	<u>5</u>

SOURCE OF FUNDING

This program is funded with Self-generated Revenues derived from sales to state agencies, municipalities, parishes, non-profit organizations and sales of surplus farm products on the open market.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$27,844,237	85	ACT 60 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	7	Increase Table of Organization by seven (7) positions as approved by the Commissioner of Administration on 7/28/99
\$0	\$27,844,237	92	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$65,627	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$51,220	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	\$19,253	0	State Employee Retirement Rate Adjustment
\$0	(\$35,843)	0	Risk Management Adjustment
\$0	\$940,375	0	Acquisitions & Major Repairs
\$0	(\$1,280,990)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$307,348	0	Salary Base Adjustment
\$0	(\$132,117)	0	Attrition Adjustment
\$0	(\$51,943)	(2)	Personnel Reductions
\$0	\$1,783	0	Civil Service Fees
\$0	(\$288,398)	0	Salary Funding from Other Line Items
\$0	\$0	7	Workload Adjustments - Additional positions to allow for increased sales and production volume
(\$19,253)	(\$19,253)	0	Other Adjustments - Reduces the Supplies Category to fund the increase in the State Employees Retirement Rate
\$0	\$2,863	0	Other Adjustments - Allows payment of Compensatory Leave in excess of 540 hours within a calendar year
(\$19,253)	\$27,424,162	97	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
(\$19,253)	\$27,424,162	97	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL

SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:

\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
(\$19,253)	\$27,424,162	97	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 98.5% of the existing operating budget. It represents 95.2% of the total request (\$28,796,563) for this program. The decrease in the recommended level of funding is primarily due to the non-recurring Acquisition and Major Repair funding.

PROFESSIONAL SERVICES

\$115,710	Management Consulting Contracts to provide economic impact studies on Prison Enterprises operations; provides information from milk weight and information for sound management of dairy operations; provides programming for the Prison Enterprises computers; provides forestry management consulting for timber operations
\$90,000	Engineering and Architectural Contracts to provide technical assistance for construction and expansion of Prison Enterprises operations
\$80,807	Veterinary Services for animals utilized in farm operations
\$116,500	Other Professional Services to provide for consultation regarding formulations of Hunt Soap Plant products; agronomy and entomology consulting for LSP farm; provide consultation regarding improvements of Prison Enterprises transportation; provide for forestry consultant services; provide consulting services to assist in the license plate operations for Puerto Rico; provide for agricultural consulting services; provide consultation on Prison Enterprises rangeherd operations
\$403,017	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$10,769	Department of Civil Service
\$748	Comprehensive Public Training Program
\$42,319	Legislative Auditor
\$1,185,061	Inmate incentive wages
\$1,238,897	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$940,375	Replace seven vehicles, computers, maintenance, production and various farming equipment; replace roof on Prison Enterprises Headquarters' Warehouse, repair roof at Hunt Correctional Center's Soap Plant and extend warehouse at the Food Distribution Center
\$940,375	TOTAL ACQUISITIONS AND MAJOR REPAIRS